



ARLINGTON FINANCE COMMITTEE
MINUTES OF MEETING
O'NEILL ROOM
7:30 PM 3/20/17

ATTENDEES:

Deyst*	White*	Caccavaro*	Kellar*	McKenna*
DeCoursey*	Wallach*	Harmer*	Gibian*	
Tosti*	Foskett*	Bayer*	Duvadie	
Russell*	Beck*	Jones*	Deshler*	
Franclemont*	Howard*	Fanning*	Carman*	Diggins*

*Indicates present

VISITORS: Superintendent Kathy Bodie, Assistant Superintendent Laura Chesson, School Committee Members Kirsy Allison-Ampe, Len Kardon, Bill Hayner

SCHOOL BUDGET: Tosti thanked Bodie for providing the budget several weeks ago (Ref 1). Bodie aided by Chesson and using a handout (Ref 2), described the current status of the schools and the changes in the budget. She received applause for the Super 8 win by the hockey team. Stratton is on schedule to reopen in September. AHS is gathering its project team for the feasibility study. She hopes to have an OPM by June. She described the task as fitting the building to the educational program. Gibbs renovation will begin 7/1. The SETF is working on Hardy. Enrollment increases continue as expected. Out-of-district costs are above budget this year. These costs will be covered by withdrawing funds from the SPED Stabilization Fund. The FY18 budget request is as agreed in the long range plan. The total revenue increase is \$3.2m of which \$2.0m is to cover salary increases and \$1.0m for out-of-district placement. It will be supplemented by using \$300k of the expected FY18 circuit breaker payment. Kardon showed how this would smooth out the use of these funds (Ref 3). Chesson described plans to increase computer use driven in part, by MCAS online testing. She also noted that "interventions" are not included in SPED costs though many students that benefit from interventions are SPED students. Members noted that years when SPED costs were not beyond budget, the extra funds were spent on general education instead of being saved for years like FY17. A long discussion followed. Bodie defended the school's policy as being educationally wise. She noted that some funds were transferred to the SPED Stabilization Fund.

VOTED \$60,928,485. Unanimous

STM ART 5 TRANSFER SPED STABILIZATION FUND The balance is not as expected. The Comptroller is investigating.

BUDGETS

HEALTH INSURANCE: Finance SubCom Kellar recommended a revised budget as described in Ref 4 (provided by email). He pointed out that the health insurance increase is only 1.62% and listed several reasons. He summarized by noting this budget is well administered.

VOTED \$16,207,743. Unanimous

LIABILITY INSURANCE: Finance SubCom Kellar recommended the budget as printed. Ref 3 includes a memo from the Workers Compensation Agent describing the status of the fund.

VOTED \$1,031,818 Unanimous

RESERVE FUND Finance SubCom Kellar recommended the budget as printed.

VOTED \$1,506,440 Unanimous

ASSESSORS: Finance SubCom Kellar recommended the budget as printed. The increases are longevity & steps.

VOTED \$313,707 Unanimous

RESERVE FUND Balance: \$1,465,000

Peter Howard 3/21/17 Revised 3/22/17

Ref 1 www.arlington.k12.ma.us/administration/budget/fy18/fy18superproposedbudget02-09-17.pdf

Ref 2 Presentation to FinCom

Ref 3 Circuit Breaker History & Projection

Ref 4 Insurance Budget

Arlington Public Schools

FY 2018 Budget

A Presentation To
The Arlington Finance Committee
March 20, 2017

Agenda

- School Committee Members
- Budget Development Process & Timeline
- FY17 Year-to-Date
- Major Discussion Points FY18
 - Enrollment
 - School Enrollment Task Force
- Into the Future
 - Technology Plan
 - Special Education & Interventions

Arlington School Committee

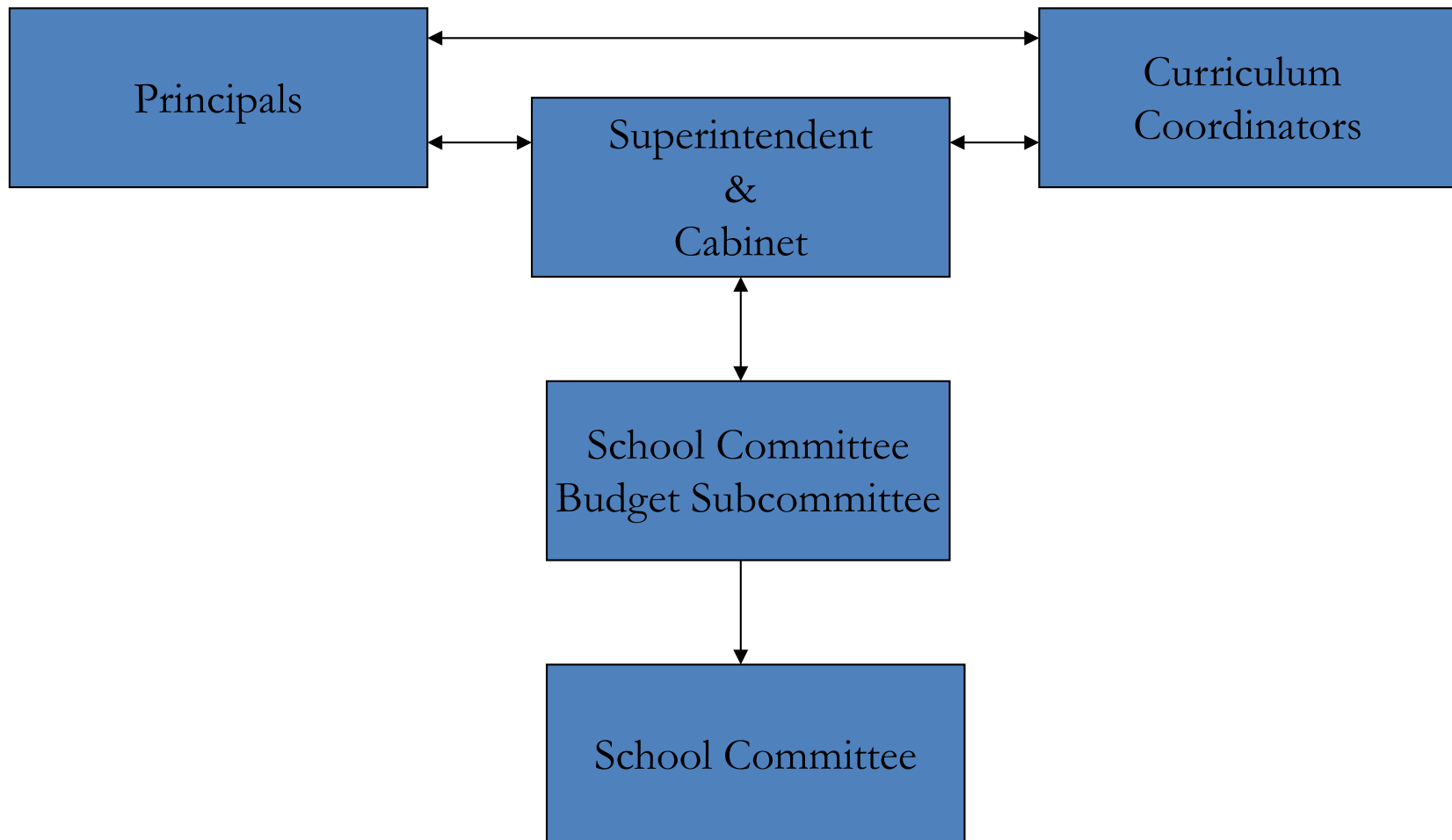
- Jennifer Susse, *Chair*
- Jeff Thielman, *Vice - Chair*
- William Hayner, *Secretary*
- Kirsi C. Allison-Ampe*, *Budget Chair*
- Len Kardon*
- Paul Schlichtman*
- Cindy Starks

*Budget Subcommittee Member

APS Budget Development Timeline

- Spring – Establishment of SC Budget Subcommittee
- Summer through Winter – Administrative team meets
- Fall through Winter – Ongoing meetings between Cabinet & School Committee Budget Subcommittee help shape Superintendent's Budget
- February 9 – Superintendent's Proposed Budget presented to School Committee
- March 2 – Public hearing by School Committee
- March 16 – School Committee revises & approves School Committee Budget
- March 20 – Finance Committee hearing
- April – Arlington Public Schools Budget presented to Town Meeting with endorsement of Finance Committee

APS Budget Development Process



Arlington Public Schools

Participants in Budget Development Process

Principals

Kristin DeFrancisco, Hardy
Thad Dingman, Dallin
Karen Donato, Thompson
Michael Hanna, Stratton
Karen Hartley, Peirce
Matthew Janger, Arlington High
Mark McAneny, Bishop
Eileen Woods, Ottoson
Stephanie Zerchykov, Brackett

Cabinet

Kathleen Bodie, Superintendent
Laura Chesson, Assistant Superintendent
Diane Johnson, Chief Financial Officer (former)
Julie Dunn, Director of Communications & Grants
Alison Elmer, Director of Special Education
Rob Spiegel, Human Resources Officer
David Good, Chief Technology Officer

Participants in Budget Development Process

Curriculum Coordinators

David Ardito – Visual Arts

Cindy Bouvier – Health &
Wellness

Carla Bruzzese – English
Language Learners

Matthew Coleman -
Mathematics

Denton Conklin– Social
Studies

Deb Perry – English Language
Arts

Catherine Ritz – World
Languages

Larry Weathers – Science

Technology

David Good – Chief

Technology Officer

Budget Production Contributors

Claudia Bertoli – Webmaster

Julie Dunn – Director of
Communications & Grants

Neile Emond – Purchasing

Elizabeth Montes – School
Accountant

Steve Angelo– Transportation

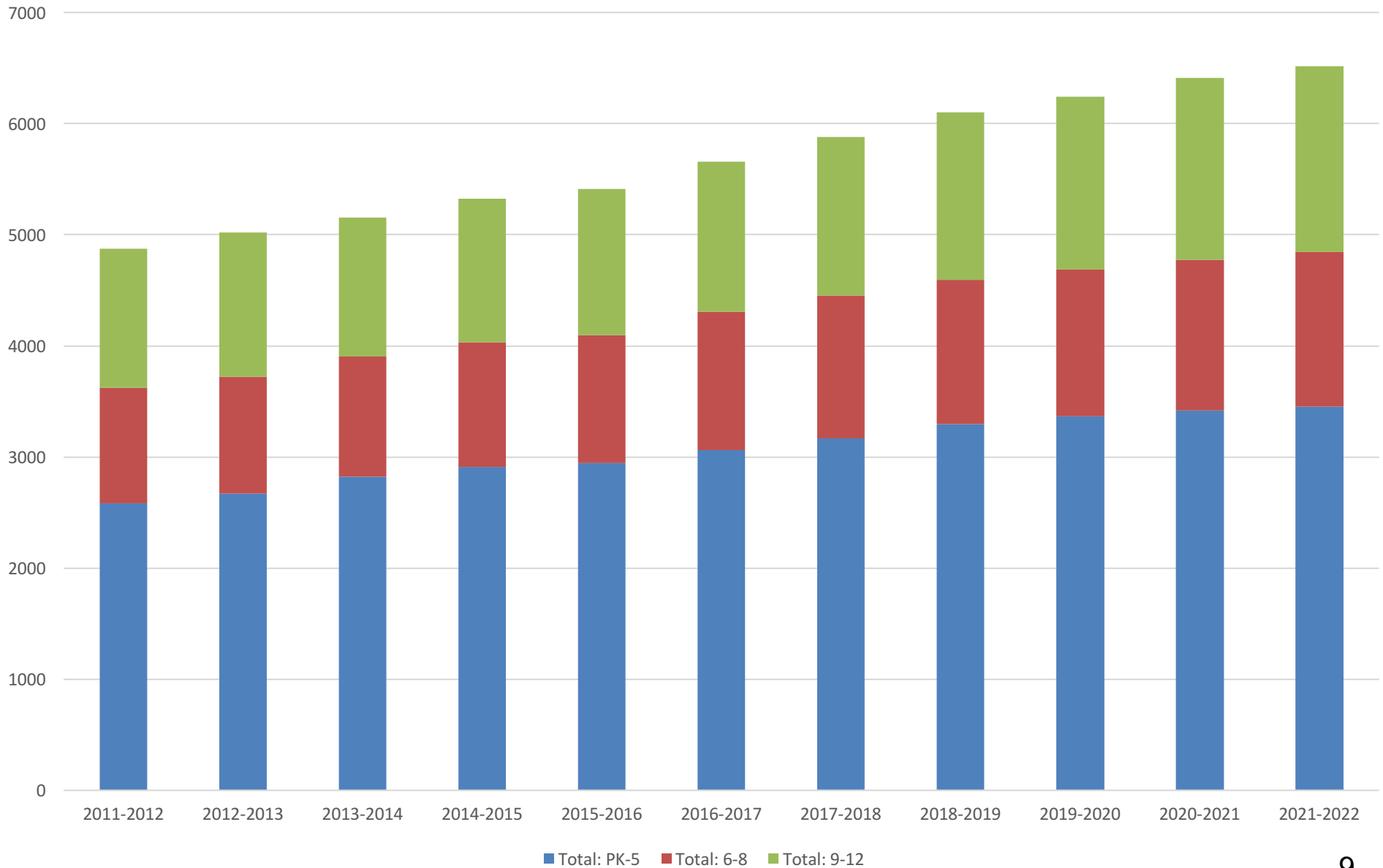
Diane Johnson – CFO (former)

Constance Russell – Payroll

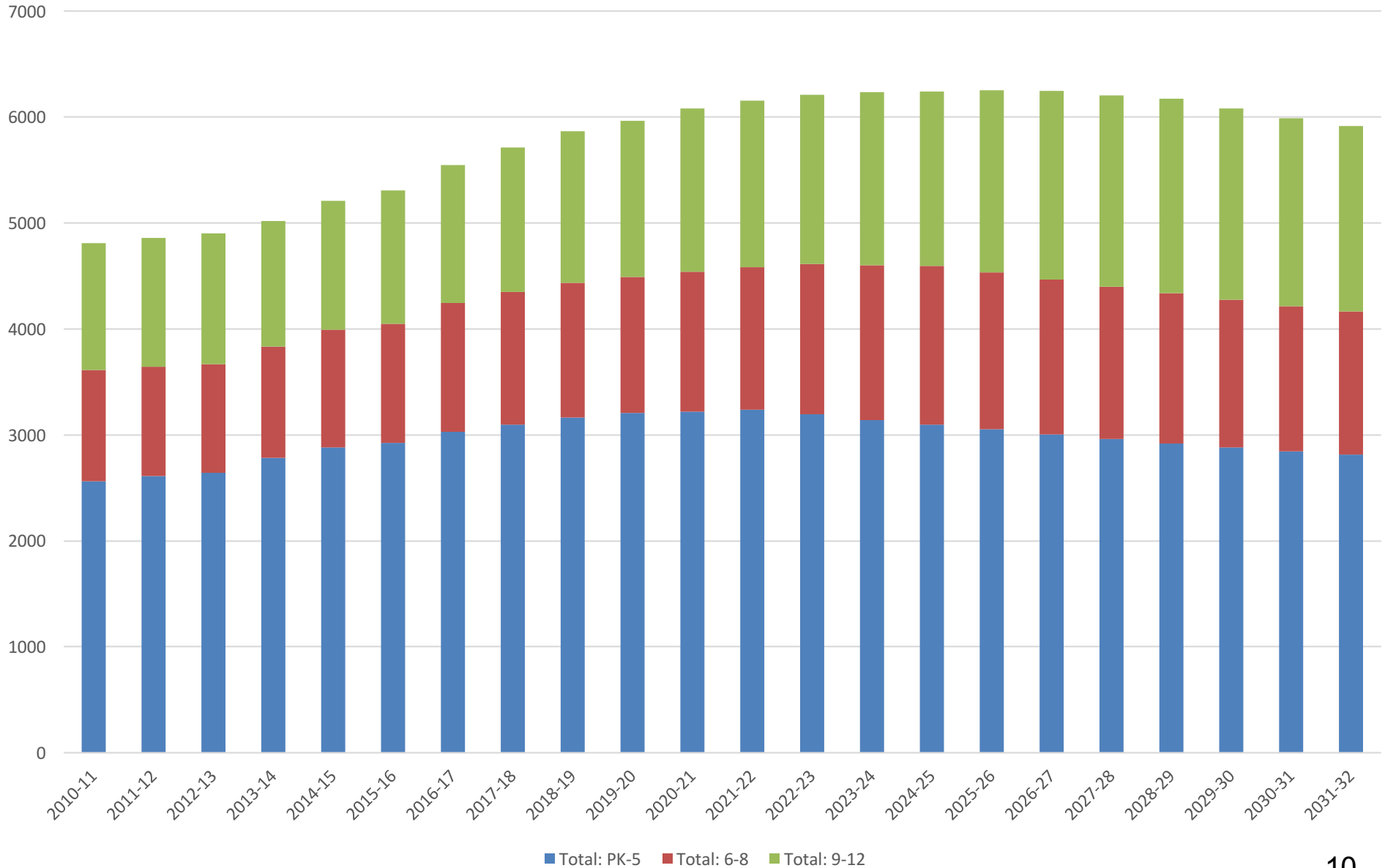
FY 17 Year to Date Results

- Stratton School students housed on-site in temporary modular classrooms, with construction to be completed by August 2017
- AHS renovation process underway with MSBA
- Gibbs Planning underway. For more information, please see:
<http://www.arlington.k12.ma.us/administration/facilitiesenrollment/gibbsrenovation/>
- School Enrollment Task Force ongoing to address space needs highlighted by the study. For more information, please see:
<http://www.arlingtonma.gov/town-governance/all-boards-and-committees/school-enrollment-task-force>
- Safe and Supportive Schools action plan development at school and district level.
- Arlington in forefront of reimagining education using technology as tool

Student Enrollment Projection (includes out of district placements)



Student Enrollment Forecast from McKibben Demographic Research (does not include out of district placements)



Vision for the Arlington Public Schools

- Every APS graduate will be ready for college, career and active citizenship
- APS will build staff capacity, fostering continuous improvement
- APS will provide a cost effective education supporting optimal teaching and learning
- In partnership with all town departments, APS will engage in effective collaboration and communication with all stakeholders

FY18 Budget Priorities from Original Operational Budget Proposed

- Support for high needs students
 - Additional funding for out of district tuition - \$1,000,000
 - 1.0 FTE elementary learning specialist
 - 1.0 FTE elementary literacy coach
 - 0.5 FTE social worker AHS / 0.5 FTE social worker OMS
 - District-wide director of social emotional learning and guidance
 - Part-time assistant principals at two elementary schools
- Retention and compensation of faculty and staff
 - FY18 third year of new contract for AEA and AAA
- Essential curriculum materials and support
 - Continued roll-out of elementary math and science programs
 - Roll out of new social studies and civics materials elementary and secondary
- Enrollment growth
 - 2.0 FTE reserve teaching positions
 - 1.0 FTE for additional desktop support personnel

FY18 Priorities from Additional \$300,000 Funding from Circuit Breaker

- Support for high needs students
 - 1.0 FTE social/emotional support (behavior specialist personnel) for elementary schools to provide support for principals.
 - 1.0 FTE elementary math interventionist to support students
 - Additional funding for professional development for staff on the use of Responsive Classroom to support social emotional needs of students
- Retention and compensation of faculty and staff
 - Additional funding for professional development for teacher leadership
- Enrollment growth
 - 1.0 FTE for reserve teaching positions
 - 4.0 FTE for reserve TA positions
 - 2.0 building substitute positions AHS and OMS

Funding the Vision

- Total Budget FY17 \$63,167,736
 - Town Appropriation \$ 57,172,443
 - Grants \$ 2,385,214
 - Revolving \$ 3,610,079

FY18 Anticipated Revenues

- Total FY18 Revenues \$66,336,733*
 - Town Appropriation \$ 60,928,485
 - Grants \$ 2,234,659
 - Revolving \$ 3,173,589*
- Total 5% Increase in Revenue \$3,168,997*

*Not including additional \$300,000 from Circuit Breaker

For greater detail visit:

FY18 Superintendent's Proposed Budget, Section 3 Funding Summary

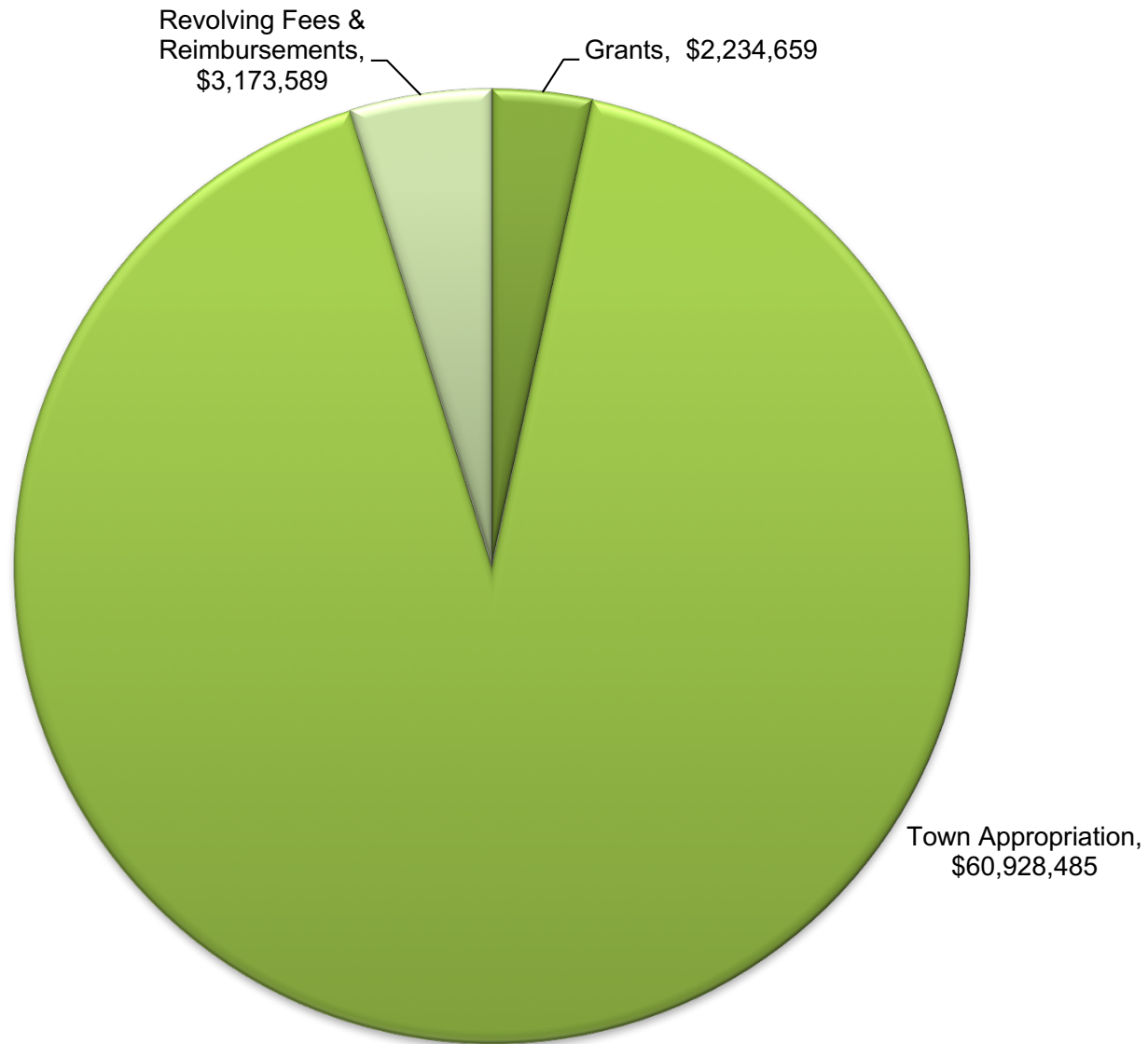
FY18 Superintendent's Proposed Budget Funding Summary

Funding Summary	Funding Description	Fund Code	FY15 Budget as of 8.28.14	FY16 Budget as of 9.8.15	FY17 Proposed	FY17 Budget as of 1.23.17	FY18 Proposed Budget 1.20.17	Change in Funding
Town Appropriation	Town Appropriation	0200	50,729,968	53,574,114	57,001,333	57,172,443	60,928,485	3,756,042
Town Appropriation Total			50,729,968	53,574,114	57,001,333	57,172,443	60,928,485	3,756,042
Grants	METCO	1320	388,095	411,548	407,433	434,654	434,654	-
	Title 1	0810	177,032	297,026	175,262	347,187	198,900	(148,287)
	Kindergarten Grant		231,100	180,640	-	-	-	-
	Title 2A Profesional Development	0790	83,040	84,261	83,418	83,503	78,493	(5,010)
	Title 3 ELL	0770	37,269	38,773	38,385	39,178	41,920	2,742
	SpEd Early Childhood	0931	40,832	40,844	40,436	42,021	42,021	-
	Academic Support		7,700	5,400	5,346	-	-	-
	SpEd 94-142	0940	1,328,574	1,351,570	1,338,054	1,396,626	1,396,626	-
	Mandarin		-	-	-	-	-	-
	SpEd Program Improvement	0960	20,029	42,470	42,045	42,045	42,045	-
	Project SUCCESS Counseling		203,393		-	-	-	-
Grants Total			2,517,064	2,452,532	2,130,379	2,385,214	2,234,659	(150,555)
Revolving Fees & Reimbursements	Circuit Breaker	0750	1,666,231	1,961,263	1,824,232	1,928,899	1,743,076	(185,823)
	Tuition In Revolving	1660	190,000	90,000	90,000	90,000	90,000	-
	Athletic Fees	1430	260,000	260,000	260,000	260,000	260,000	-
	Peirce Field Rental	1530	22,000	22,000	22,000	22,000	22,000	-
	Instrumental Music Fees	1480	148,265	148,265	148,265	148,265	148,265	-
	Building Rental Fees	1520	350,000	350,000	350,000	350,000	350,000	-
	Traffic Supervisor Rebilling	1820	16,235	16,235	17,232	17,232	17,577	345
	Athletic Ticket Sales	1440	40,000	40,000	40,000	40,000	40,000	-
	Menotomy Preschool	1510	142,000	142,000	142,000	142,000	142,000	-
	Bishop Bus	1920	20,000	20,000	20,000	20,000	20,000	-
	Foreign Visas	1840	325,000	325,000	325,000	325,000	325,000	-
	Prior Revolving Balances	1330			250,000	250,000	0	(250,000)
	LABBB credit		-	-	-	-	0	-
	AEA President Salary Offset		15,354	15,354	16,683	16,683	15,671	(1,012)
Revolving Fees & Reimbursements Total			3,195,085	3,390,117	3,505,412	3,610,079	3,173,589	(436,490)
Grand Total			56,442,117	59,416,763	62,637,124	63,167,736	66,336,733	3,168,997

Note: Does not include additional \$300,000 from Circuit Breaker

FY18 Proposed Budget Funding Summary

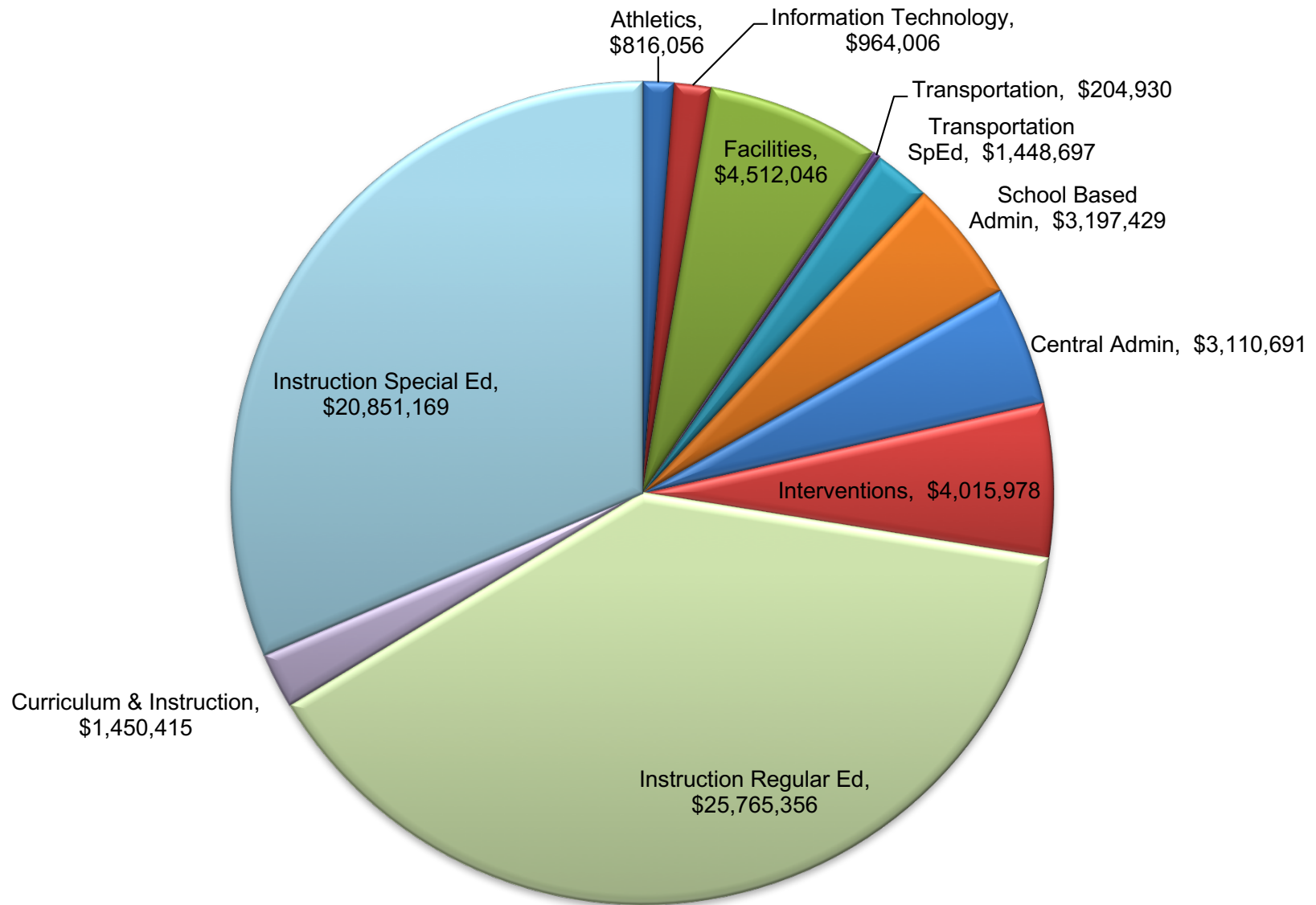
Total Funding \$66,336,733*



*Not including additional \$300,000 from Circuit Breaker

FY18 Proposed Budget Expense by Major Category

Total Budget \$66,336,733*



*Not including \$300,000 in expenses to be funded by Circuit Breaker

Summary of FY18 Proposed Budget Changes

• Net increase in Revenue*	\$3,168,997
• Total Contractual/Salary Increases	\$2,063,119
• Increase in Out of District Placement	\$1,000,000
• Total Proposed Increases*	\$ 836,034
• Total Reductions	\$ 730,156

*Not including additional \$300,000 from Circuit Breaker

For greater detail visit: FY18 Superintendent's Proposed Budget
Section 2 Superintendent's Budget Message

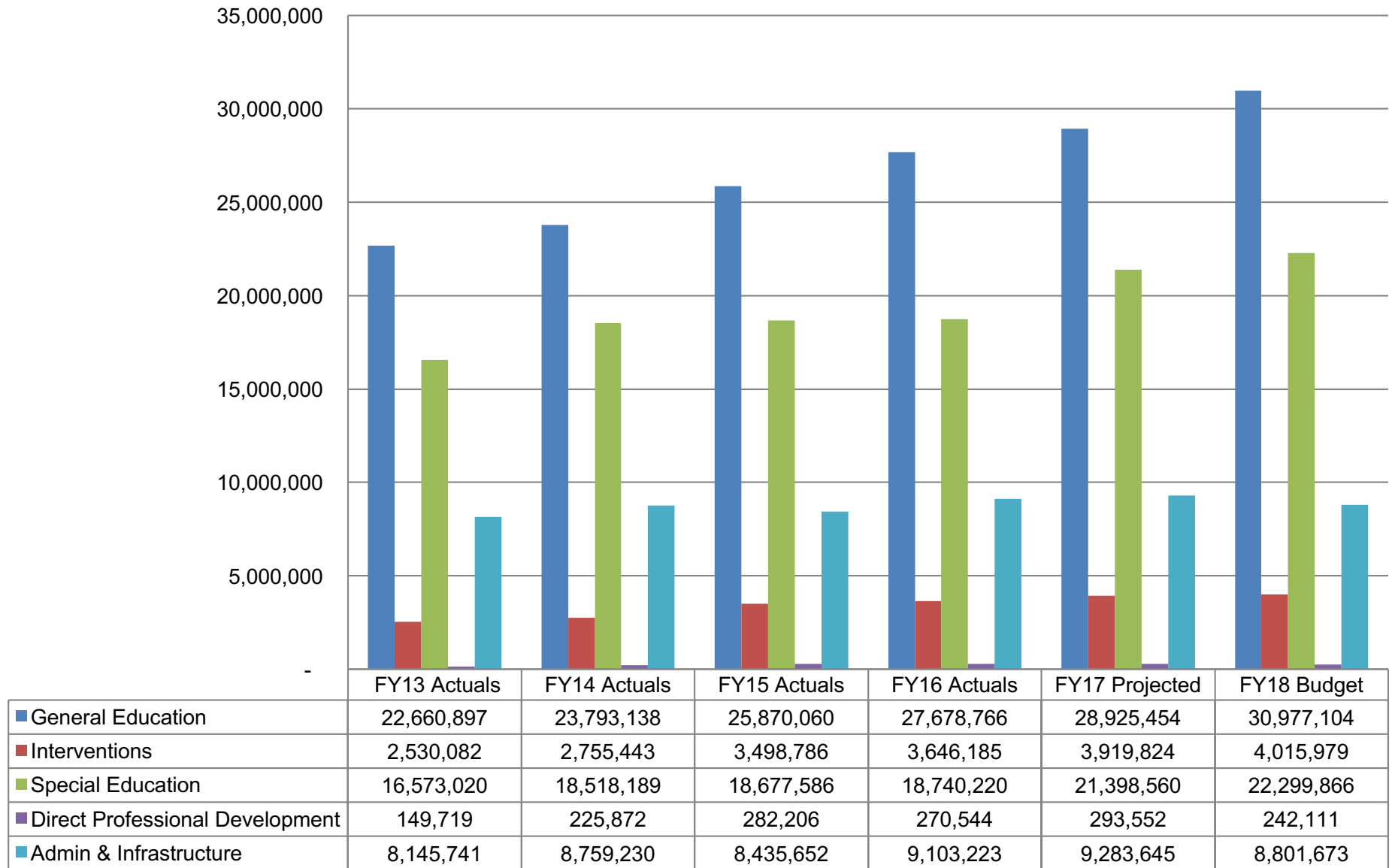
Technology Priorities for 2017 -2018

- Students need continued deep access to technology to be prepared to be tested in online assessments: MCAS Next Generation, ACCESS testing for English Language Learners, national World Language exams
- MCAS Next Generation requires all 4th and 8th grades students to test online in FY 18
 - 3rd & 6th grade to be added FY 19, and 5th and 7th grade to be added FY 20
- Teachers need access to Baseline Edge Educator Evaluation System and Response to Intervention Data Collection and Analysis tools
- Thompson School one-to-one computing replacement of last 1/3 of devices in FY 18
- Critical replacement process for 2000+ iPad 2's that will have obsolete operating system as of October
- Increased staffing and enrollment has resulted in increased demand for devices, projectors, and document cameras to maintain equitable access to digital technology

Arlington Special Education and Interventions

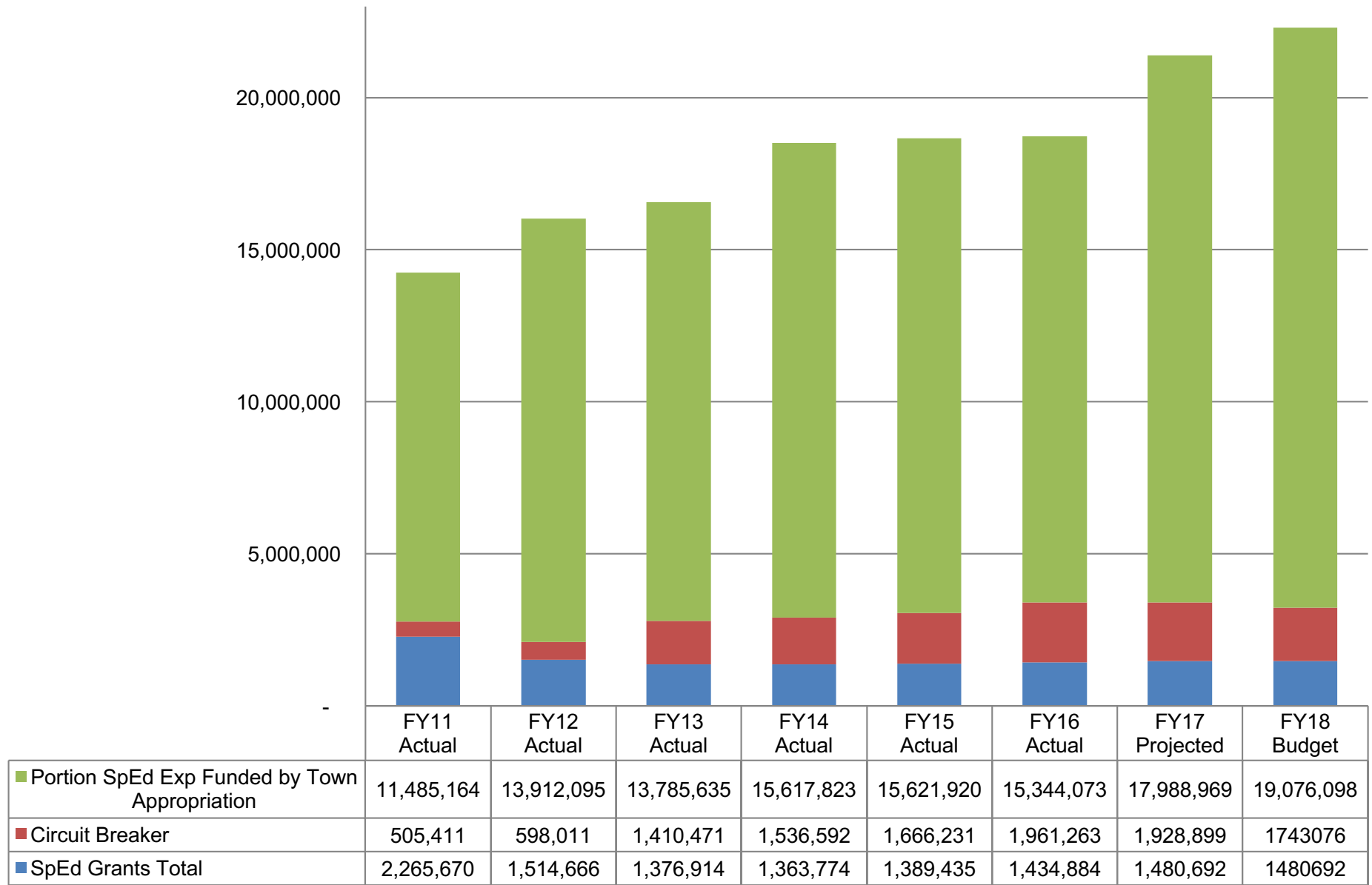
- Definition of Special Education costs in Arlington
 - Includes Special Education Grant funded costs, Legal and Transportation costs when directly supporting Special Education students
- Definition of Interventions in Arlington
 - Includes Math and Literacy RTI, Academic Challenge & Enrichment, Guidance
 - Supports both General Education and Special Education students
- Why are both Special Education and Interventions necessary?
 - Special Education legally mandated for eligible students
 - Interventions reach students who are struggling but not necessarily eligible for Special Education services
- English Language Learners (ELL) services transitioning from state recommendations to state mandates

Six Year Comparison Showing Interventions Expense



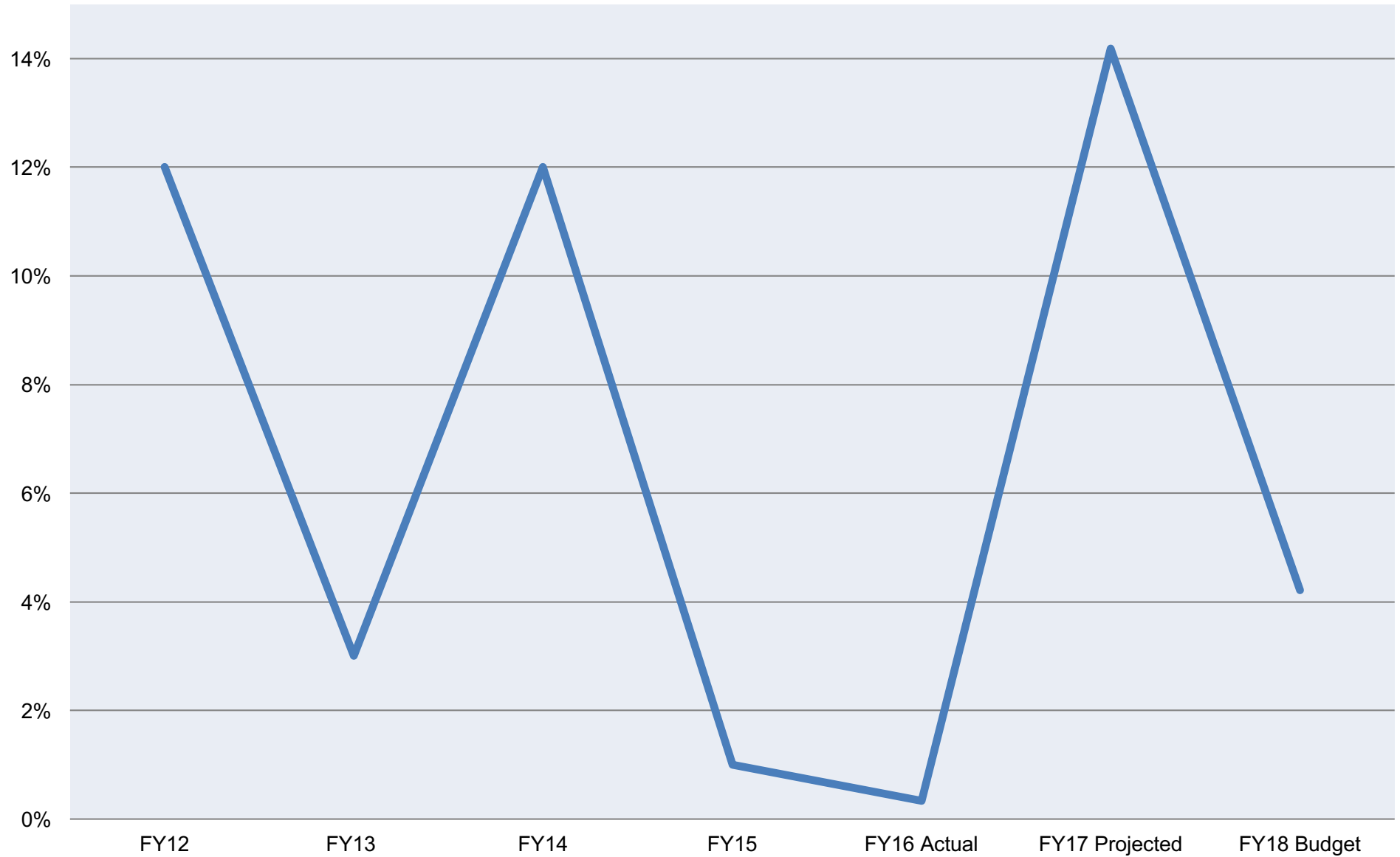
FY18 does not include additional \$300,000 in expenses funded by Circuit Breaker

Special Education Expense by Funding Source



FY18 does not include additional \$300,000 in expenses funded by Circuit Breaker

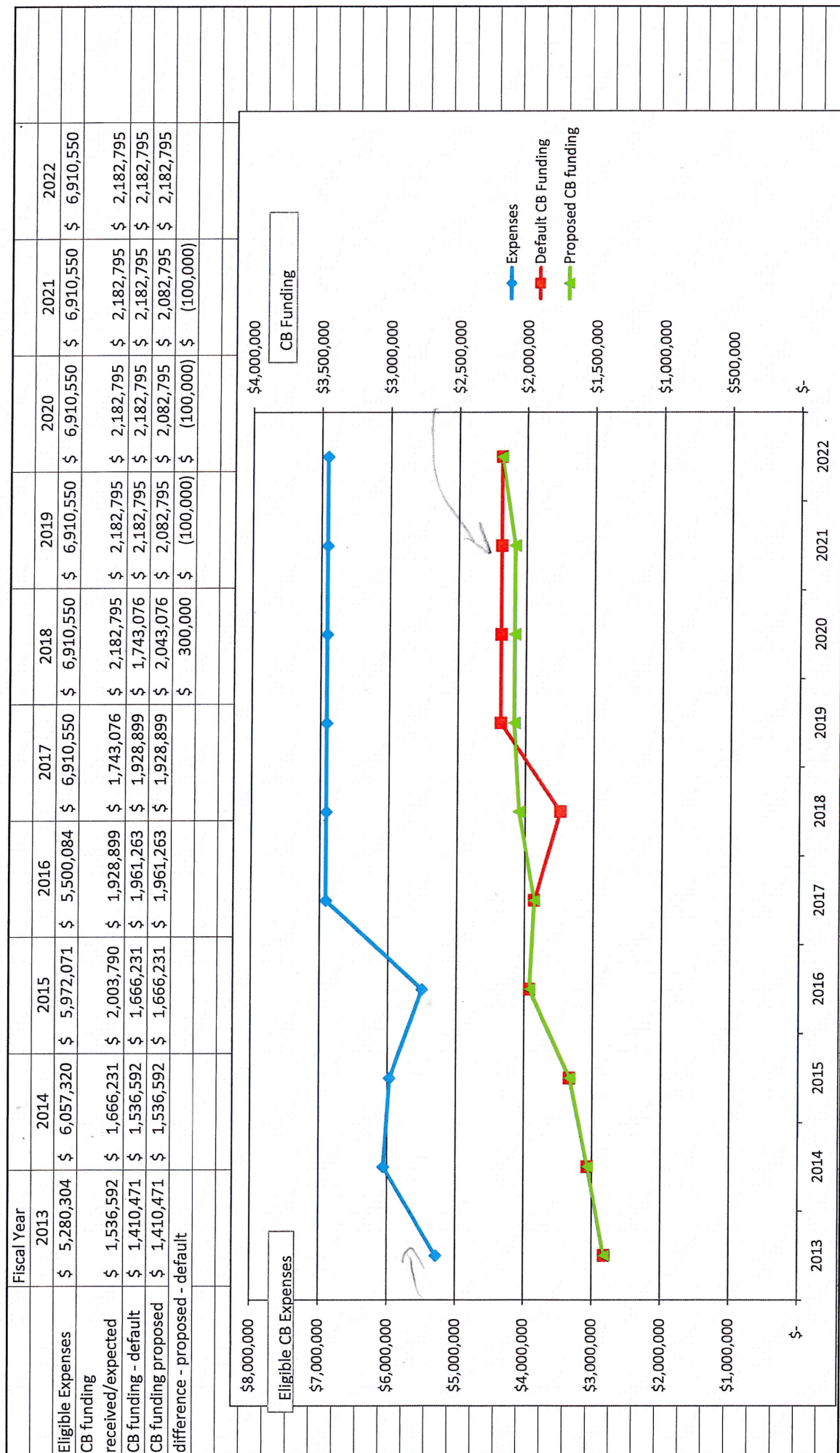
Special Education Percentage Growth in Actuals from Prior Year



FY18 does not include additional \$300,000 in expenses funded by Circuit Breaker

Action Requested

- The Arlington School Committee respectfully requests your approval of the FY18 Budget voted by School Committee on March 16, 2017



	2015 Actual	2016 Actual	2017 Budget	2018 Request	\$ Change	% Change
0191487 GROUP HEALTH INSURANCE						
5700 MEDICARE PENALTY	15,861	15,970	18,000	18,000	-	0.00%
5703 OPT OUT PROGRAM	246,898	234,762	245,995	221,996	(23,999)	-9.76%
5704 INSURANCE:GROUP HEALTH	13,028,530	13,606,973	15,105,907	15,351,035	245,128	1.62%
57041 EMPLOYEE HEALTH MITIGATION FD	200,000	200,000	-	-	-	-
5705 INSURANCE: GROUP LIFE	53,579	71,423	63,633	63,633	-	0.00%
5706 MEDICARE PAYROLL TAX	1,000,714	1,053,815	1,100,000	1,155,000	55,000	5.00%
5709 FLEXIBLE BENEFIT PLAN	52,938	75,599	83,368	83,368	-	0.00%
0191487 GROUP HEALTH INSURANCE APPROPRIATION TOTAL	14,598,520	15,258,541	16,616,903	16,893,032	276,129	1.66%
5190 OFFSETS	(656,905)	(676,676)	(741,339)	(685,289)	56,050	-7.56%
0191487 GROUP HEALTH INSURANCE TAXATION TOTAL	13,941,615	14,581,865	15,875,564	16,207,743	332,179	2.09%

Health Insurance Offsets Calculation FY 2018

		FY18 Health Cost	Recommended Offset Percent	FY-18 Offset
1)	Board of Selectmen	94,993	16.65%	15,816
2)	Town Manager	45,919	16.65%	7,645
3)	Personnel	28,290	16.65%	4,710
4)	Information Technology	82,264	16.65%	13,696
5)	Comptroller	86,304	16.65%	14,369
6)	Treasurer/Collector	128,670	16.65%	21,422
7)	Legal	61,380	16.65%	10,219
8)	Administration	135,461	50.00%	67,731
9)	Engineering	93,258	62.00%	57,820
10)	Highway (without S.Waste)	383,804	20.00%	76,761
11)	MER	129,836	30.00%	38,951
12)	Water Division	232,835	100.00%	232,835
13)	Total 1) - 12)			561,975
14)	HEALTH Offset - Sewer (50% of #13)			280,988
15)	HEALTH Offset - Water (50% of #13)			280,988
	Water & Sewer Enterprise Subtotal			561,976
Other Insurance Costs charged directly to Enterprise Fund & Retirement Office				
	Recreation	33,836	1.0000	33,836
	Ed Burns Arena	47,438	1.0000	47,438
	Retirement	42,039	1.0000	42,039
	Other Enterprise & Retirement Subtotal			123,313
	Total Health Insurance Offset			685,289

Note: Departmental health insurance costs include current employees and retirees

FY2017 Group Health Projection

FY 2017	Expenditure	Anticipated
Appropriation	year to date	Projected Total FY17
\$ 18,000.00	\$ 12,141.25	\$ 16,442.65
\$ 245,995.00	\$ 159,389.91	\$ 220,471.20
\$ 15,105,907.00	\$ 10,367,910.55	\$ 13,945,953.88
\$ 1,100,000.00	\$ 816,019.73	\$ 1,136,804.40
\$ 83,368.00	\$ -	\$ -
		\$ 83,368.00
\$ 16,553,270.00	\$ 11,355,461.44	\$ 15,319,672.13
		\$ 1,233,597.87
Month	Medicare Penalty	Opt Out
July	\$ 1,339.86	\$ 13,575.87
August	\$ 1,339.86	\$ 13,076.10
September	\$ 1,339.86	\$ 15,951.35
October	\$ 1,339.86	\$ 25,182.34
November	\$ 1,339.86	\$ 25,182.34
December	\$ 1,339.86	\$ 19,504.50
January	\$ 1,234.49	\$ 14,028.50
February	\$ 1,433.80	\$ 13,951.58
March	\$ 1,433.80	\$ 18,937.33
April	\$ 1,433.80	\$ 16,757.70
May	\$ 1,433.80	\$ 14,488.96
June	\$ 1,433.80	\$ 29,834.63
YTD Actual	\$ 12,141.25	\$ 159,389.91
EOY Projected	\$ 16,442.65	\$ 220,471.20
		\$ 13,945,953.88
		\$ 1,136,804.40

Updated 03/10/2017

\$ 1,155,000.00
5% increase for FY18

ENROLLMENT BREAKDOWN OF GIC PLANS FY 17

Plan Name	Premium	Town	Employee	FY2017	FY2016	Change	ind	fam	
FALLON DIRECT FAMILY	1247.40	1060.29	187.11	6	7	-1		-1	-12723.48
FALLON DIRECT FAMILY 75/25	1247.40	935.55	311.85	5	2	3		3	33679.8
FALLON DIRECT INDIVIDUAL	519.74	441.78	77.96	6	9	-3		-3	-15904.044
FALLON DIRECT INDIVIDUAL 75/25	519.74	389.81	129.94	11	11	0	0		0
FALLON SELECT FAMILY	1657.54	1408.91	248.63	10	8	2		2	33813.816
FALLON SELECT INDIVIDUAL	690.66	587.06	103.60	8	7	1	4		7044.732
FALLON SELECT INDIVIDUAL 75/25	690.66	518.00	172.67	4	2	2	2		12431.88
HARVARD INDEPENDENCE FAMILY	1992.07	1593.66	398.41	105	142	-37		-38	-707583.264
HARVARD INDEPENDENCE FAMILY- 75/25	1992.07	1494.05	498.02	20	39	-19		-20	-340643.97
HARVARD INDEPENDENCE INDIVIDUAL	816.43	653.14	163.29	95	123	-28	-33	0	-219456.384
HARVARD INDEPENDENCE INDIVIDUAL- 75/25	816.43	612.32	204.11	19	40	-21	-20		-154305.27
HARVARD PRIM CHC FAMILY	1489.38	1265.97	223.41	95	99	-4		-3	-60766.704
HARVARD PRIM CHC FAMILY 75/25	1489.38	1117.04	372.35	24	14	10		9	134044.2
HARVARD PRIM CHC INDIVIDUAL	610.40	518.84	91.56	54	66	-12	-12		-74712.96
HARVARD PRIM CHC INDIVIDUAL 75/25	610.40	457.80	152.60	42	17	25	25		137340
HEALTH NEW ENG FAMILY	1326.04	1127.13	198.91	0	0	0	0	0	0
NHP CARE FAMILY	1357.32	1153.72	203.60	13	4	9		10	124601.976
NHP CARE FAMILY 75/25	1357.32	1017.99	339.33	10	7	3		1	36647.64
NHP CARE INDIVIDUAL	512.21	435.38	76.83	7	4	3	4		15673.626
NHP CARE INDIVIDUAL 75/25	512.21	384.16	128.05	23	10	13	13		59928.57
TUFTS NAVIGATOR FAMILY	1674.68	1339.74	334.94	116	130	-14		-15	-225076.992
TUFTS NAVIGATOR FAMILY-75/25	1674.68	1256.01	418.67	30	23	7		6	105504.84
TUFTS NAVIGATOR INDIVIDUAL	686.34	549.07	137.27	76	89	-13	-16		-85655.232
TUFTS NAVIGATOR INDIVIDUAL-75/25	686.34	514.76	171.59	40	25	15	16		92655.9
TUFTS SPIRIT FAMILY	1240.52	1054.44	186.08	16	17	-1		-2	-12653.304
TUFTS SPIRIT FAMILY 75/25	1240.52	930.39	310.13	10	4	6		6	66988.08
TUFTS SPIRIT INDIVIDUAL	515.32	438.02	77.30	16	30	-14	-12		-73587.696
TUFTS SPIRIT INDIVIDUAL 75/25	515.32	386.49	128.83	32	23	9	8		41740.92
UNICARE BASIC FAMILY	2346.44	1759.83	586.61	18	19	-1		0	-21117.96
UNICARE BASIC INDIVIDUAL	1002.41	751.81	250.60	30	36	-6	-8		-54130.14
UNICARE COMM CHC FAMILY	1170.35	936.28	234.07	6	1	5		5	56176.8
UNICARE COMM CHC FAMILY 75/25	1170.35	877.76	292.59	9	2	7		7	0
UNICARE COMM CHC INDIVIDUAL	487.63	390.10	97.53	6	6	0	10		0
UNICARE COMM CHC INDIVIDUAL 75/25	487.63	365.72	121.91	16	5	11	-3		48275.37
UNICARE PLUS FAMILY	1566.13	1252.90	313.23	17	8	9		4	135313.632
UNICARE PLUS FAMILY 75/25	1566.13	1174.60	391.53	3	2	1		2	0
UNICARE PLUS INDIVIDUAL	655.32	524.26	131.06	13	14	-1	-2		-6291.072
UNICARE PLUS INDIVIDUAL 75/25	655.32	491.49	163.83	4	2	2	-2		0
Active Plans				1015	1015	-37	-29	-24	\$ (922,746.69)
FALLON SENIOR PLAN	274.86	233.63	41.23	4	2	2			5607.144
HARVARD MEDICARE SENIOR PLAN	395.19	296.39	98.80	359	324	35			124484.85
TUFTS MED COMPLT SENIOR PLAN	385.92	328.03	57.89	100	88	12			47236.61
TUFTS MED PREFER SENIOR PLAN	254.27	216.13	38.14	58	66	-8			-20748.432
UNICARE OME	381.22	285.92	95.31	385	396	-11			-37740.78
Medicare Suppl				906	876	30			\$ 118,839.39
Opt Out - Individual	166.66	166.66		29	23	6			
Opt Out - Family	333.33	333.33		41	47	-6			
Grand Total				1991	1961	30			
									\$ (803,907.30)

Opt Out Savings	Full	Town Share	Months	Annual Cost	Opt Annual Cost	Net Annual Cr Contracts	Savings
HARVARD INDEPENDENCE FAMILY	1992.07	1593.66	12	19124	4000	15124	41 620078.8
HARVARD INDEPENDENCE INDIVIDUAL	816.43	653.14	12	7838	2000	5838	30 175131.8
							795210.6

ENROLLMENT BREAKDOWN

FY17

Health Plan Name	Enrollment		Total	% of Membership
	Ind	Fam		
Fallon Health Care Direct	17	11	28	2.76
Fallon Health Care Select	12	10	22	2.17
Harvard Pilgrim Independence	114	125	239	23.55
Harvard Pilgrim Primary Choice	96	119	215	21.18
Health New England	0	0	0	0.00
Neighborhood Health Prime	30	23	53	5.22
Tufts Health Plan Navigator	116	146	262	25.81
Tufts Health Plan Spirit	48	26	74	7.29
Unicare Basic	30	18	48	4.73
Unicare Community Choice	22	15	37	3.65
Unicare Plus	17	20	37	3.65
Total Active Plans	502	513	1015	100
Fallon Senior	4		4	0.44
Harvard Pilgrim Medicare Enhanced	359		359	39.49
Health New England Medplus	0		0	0.00
Tufts Health Plan Medicare Compliment	100		100	11.00
Tufts Health Plan Medicare Preferred	58		58	6.38
Unicare Medicare Extension (OME)	385		385	42.35
Total Medicare Supplement Plans			906	99.67
Opt Out Plans	29	41	70	
Grand Total of Plans			1991	

FY2017	Town Share	Employee Share	Total owed	Amount Paid	Date Paid	Warrant#	Date
	0191487-5704	01-2159			Wire		
Jul-16	1,204,646.70	337,353.65	1,542,000.35	1,542,000.35	7/21/16	W#17012	7/21/2016
Aug-16	1,204,241.94	338,823.48	1,543,065.42	1,543,065.42	8/18/16	W#17027	8/18/16
Sep-16	1,173,712.14	328,617.86	1,502,330.00	1,502,330.00	9/20/16	W#17051	9/22/2016
Oct-16	1,168,300.36	327,134.68	1,495,435.04	1,495,435.04	10/20/16	W#17063	10/20/16
Nov-16	1,181,195.96	332,440.73	1,513,636.69	1,513,636.69	11/18/16	W#17089	11/29/2016
Dec-16	892,476.06	338,497.28	1,230,973.34	1,230,973.34	12/19/16	W#17101	12/22/2016
Jan-17	1,204,283.75	339,901.25	1,544,185.00	1,544,185.00	1/19/17	W#17115	1/19/2017
Feb-17	1,200,848.65	335,900.29	1,536,748.94	1,536,748.94	2/22/17	W#17139	2/23/2017
Mar-17	1,192,681.11	336,537.35	1,529,218.46	1,529,218.46			
Apr-17			0.00	0.00			
May-17			0.00	0.00			
Jun-17			0.00	0.00			
FY17	10,422,386.67	3,015,206.57	13,437,593.24	13,437,593.24			
	Town Share	Employee Share	Total owed	Total Paid			

GIC
Payments

Group Insurance Commission

FY 2018

Pool I MUNICIPAL Monthly Rates (does not include Retired Municipal Teachers)

MUNICIPAL MONTHLY RATES [1] [2]

	FY'18 Full Cost [3]	FY'17 Full Cost [3]	% Change	Change (dollars)
UniCare State Indemnity Plan / Basic (without CIC)				
Individual	\$991.80	\$959.09	3.4%	\$32.71
Family	\$2,321.52	\$2,245.96	3.4%	\$75.56
Medicare	\$369.91	\$363.94	1.6%	\$5.97
UniCare State Indemnity Plan / Basic (with CIC)				
Individual	\$1,038.80	\$1,002.41	3.6%	\$36.39
Family	\$2,430.54	\$2,346.44	3.6%	\$84.10
Medicare	\$380.64	\$374.63	1.6%	\$6.01
UniCare State Indemnity Plan / Community Choice				
Individual	\$520.59	\$487.63	6.8%	\$32.96
Family	\$1,249.46	\$1,170.35	6.8%	\$79.11
UniCare State Indemnity Plan / PLUS				
Individual	\$693.20	\$655.32	5.8%	\$37.88
Family	\$1,656.13	\$1,566.13	5.7%	\$90.00
Harvard Pilgrim Independence				
Individual	\$824.23	\$816.43	1.0%	\$7.80
Family	\$2,011.10	\$1,992.07	1.0%	\$19.03
Medicare	\$423.05	\$439.17	-3.7%	-\$16.12
Harvard Pilgrim Primary Choice				
Individual	\$620.70	\$610.40	1.7%	\$10.30
Family	\$1,514.53	\$1,489.38	1.7%	\$25.15
Tufts Navigator				
Individual	\$728.84	\$686.34	6.2%	\$42.50
Family	\$1,778.41	\$1,674.68	6.2%	\$103.73
Tufts Medicare Complement	\$382.26	\$398.39	-4.0%	-\$16.13
Tufts Medicare Preferred	\$301.05	\$276.46	8.9%	\$24.59
Tufts Spirit				
Individual	\$553.27	\$515.32	7.4%	\$37.95
Family	\$1,331.92	\$1,240.52	7.4%	\$91.40
Fallon - Select Care				
Individual	\$737.06	\$690.66	6.7%	\$46.40
Family	\$1,768.89	\$1,657.54	6.7%	\$111.35
Medicare	\$336.17	\$311.54	7.9%	\$24.63
Fallon - Direct Care				
Individual	\$554.65	\$519.74	6.7%	\$34.91
Family	\$1,331.20	\$1,247.40	6.7%	\$83.80
Health New England				
Individual	\$548.15	\$534.87	2.5%	\$13.28
Family	\$1,358.98	\$1,326.04	2.5%	\$32.94
Medicare	\$394.84	\$410.96	-3.9%	-\$16.12
NHP Prime HMO				
Individual	\$554.04	\$512.21	8.2%	\$41.83
Family	\$1,468.22	\$1,357.32	8.2%	\$110.90

Notes

[1] Basic life Insurance premiums are not included.

[2] The Medicare Part B premium was not added to the rate and contribution calculation for the GLC's Medicare plan options.

[3] FY17 and FY18 Full Cost municipal rates include the 0.35 percent municipal administration fee.

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HEALTH INSURANCE RATES - JULY 1, 2017 GIC
RATES UPDATED 3/8/17

FY 2018

HEALTH PLANS	Plans for: Current Employees						Plans for:						Plans For: All New Hires after 12/1/2011						Survivor Monthly Rate	"Cobra" Monthly Rates Includes 2% Admin Fee
	(15% Contribution for HMO's)			(20% Contributions for PPO's/POS's)			(25% Contribution			Employee			Employee			Employee				
	Monthly Rate	Town Monthly Rate	Employee Monthly Rate	Employee Weekly Rate	Employee BiWeekly Rate	Employee Monthly Rate	Employee Weekly Rate	Employee BiWeekly Rate	Employee Monthly Rate	Employee Weekly Rate	Employee BiWeekly Rate	Town Monthly Rate	Employee Monthly Rate	Employee Weekly Rate	Employee BiWeekly Rate	Town Monthly Rate	Employee Monthly Rate	Employee Weekly Rate		
Fallon Comm Dir.Care-Ind.	554.65	471.45	83.20	20.80	41.60	0.00	0.00	0.00	0.00	0.00	0.00	415.99	138.66	34.67	69.33	277.32	555.74			
Fallon (Comr Dir.Care-Family	1,331.20	1,131.52	199.68	49.92	99.84	0.00	0.00	0.00	0.00	0.00	0.00	998.40	332.80	83.20	166.40	665.60	1,357.82			
Fallon Comm Select- Ind.	737.06	626.50	110.56	27.64	55.28	0.00	0.00	0.00	0.00	0.00	0.00	552.80	184.26	46.07	92.13	368.53	751.80			
Fallon Comm Select- Ir Family	1,768.89	1,503.56	265.33	66.33	132.67	0.00	0.00	0.00	0.00	0.00	0.00	1,326.67	442.22	110.56	221.11	884.44	1,804.27			
HA Pilg.Prim.Choice-Ind.	620.70	527.60	93.10	23.28	46.55	0.00	0.00	0.00	0.00	0.00	0.00	465.53	155.17	38.79	77.59	310.35	633.11			
HA Pilg.Prim. Choice - Family	1,514.53	1,287.35	227.18	56.80	113.59	0.00	0.00	0.00	0.00	0.00	0.00	1,135.90	378.63	94.66	189.32	757.26	1,544.82			
Health New England- Ind.	548.15	465.93	82.22	20.56	41.11	0.00	0.00	0.00	0.00	0.00	0.00	411.11	137.04	34.26	68.52	274.07	559.11			
Health New England- Ir Family	1,358.98	1,155.13	203.85	50.96	101.93	0.00	0.00	0.00	0.00	0.00	0.00	1,019.24	339.74	84.94	169.87	679.49	1,386.16			
NHP Prime - Ind.	554.04	470.93	83.11	20.78	41.56	0.00	0.00	0.00	0.00	0.00	0.00	415.53	138.51	34.63	69.26	277.02	565.12			
NHP Prime -Family	1,468.22	1,247.99	220.23	55.06	110.12	0.00	0.00	0.00	0.00	0.00	0.00	1,101.17	367.05	91.76	183.53	734.11	1,497.58			
Tufts Hlth Plan Spirit - Ind.	553.27	470.28	82.99	20.75	41.50	0.00	0.00	0.00	0.00	0.00	0.00	414.95	138.32	34.58	69.16	276.63	564.34			
Tufts Hlth Plan Spirit- Family	1,331.92	1,132.13	199.79	49.95	99.90	0.00	0.00	0.00	0.00	0.00	0.00	998.94	332.98	83.25	166.49	665.96	1,358.56			
Harvard Pilgrim Ind.PI.-Ind.	824.23					659.38	164.85	41.21	82.43	201.11	1,508.33	618.17	206.06	51.52	103.03	412.11	840.71			
Harvard Pilg. Ind.PI.-Family	2,011.10					1,608.88	402.22	100.56	201.11	1,508.33	1,508.33	502.77	502.77	125.69	251.39	1,005.55	2,051.32			
Tufts Hlth PI.Navigatior-Ind.	728.84					583.07	145.77	36.44	72.89	177.84	1,333.81	546.63	182.21	45.55	91.11	364.42	743.42			
Tufts Hlt.PI.Navigatior-I Fam.	1,778.41					1,422.73	355.68	88.92	177.84	1,333.81	1,333.81	444.60	444.60	111.15	222.30	889.20	1,813.98			
Unicare Comm. Choice- Ind.	520.59					416.47	104.12	26.03	52.06	124.95	390.44	130.15	130.15	32.54	65.08	260.29	531.00			
Unicare Comm. Choice- Fam.	1,249.46					999.57	249.89	62.47	124.95	390.44	390.44	130.15	130.15	78.09	156.18	624.73	1,274.45			
Unicare Indemn.Plus- Ind.	693.20					554.56	138.64	34.66	69.32	165.62	519.90	173.30	173.30	43.33	86.65	346.60	707.06			
Unicare Indemn.Plus-Fam.	1,656.13					1,324.90	331.23	82.81	165.62	165.62	1,242.10	414.03	414.03	103.51	207.02	828.06	1,689.25			
Unicare Basic w/cic- Ind.	1,038.80										779.10	259.70	259.70	64.93	129.85	519.40	1,059.58			
Unicare Basic w/cic - Family	2,430.54										1,822.91	607.63	607.63	151.91	303.82	1,215.27	2,479.15			
Unicare Basic w/o cic-Ind.	991.80										743.85	247.95	247.95	61.99	123.98	495.90	1,011.64			
Unicare Basic w/o cic - Family	2,321.52										1,741.14	580.38	580.38	145.10	290.19	1,160.76	2,367.95			

**Town Retirees and Mass Teachers - Medicare Plans
GIC HEALTH INSURANCE RATES - JULY 1, 2017**

FY 2017

HEALTH PLANS	(15% Contribution for HMO's*)		(25% Contribution)		Survivor Monthly Rate	"Cobra" Monthly Rates Includes 2% Admin Fee
	Monthly Rate	Town Monthly Rate	Retiree Monthly Rate	Retiree Weekly Rate		
Fallon Senior Plan	336.17	285.75	50.42	12.61	168.08	342.89
Health New England Medplus	394.84	335.62	59.22	14.81	197.42	402.74
Tufts Hlth PI Medicare Compl	382.26	324.92	57.34	14.34	191.13	389.91
Tufts Hlth PI Medicare Prefer	301.05	255.89	45.16	11.29	150.52	307.07
Harvard Pilg. Medicare Enh.	423.05				211.52	431.51
Unicare Indemn. With CIC	380.64				190.32	388.25
Unicare Indemn. w/o CIC	369.91				184.95	377.31

Note:

*Retirees after July 1, 2007: Contribution rate will not be less than their contribution rate as active employees.

03/09/2017 15:12 | TOWN OF ARLINGTON | P 1
 cmalloy | G/L ACCOUNT - MASTER INQUIRY | glactinq

Org code: 886 HEALTH CLAIMS TRUST FUND Type: B A
 Object code: 1040 CASH Status: A
 Project code: Budgetary: N

Fund 8860 HEALTH CLAIMS TRUST FUND
 Function 0 FUNCTION
 Cost Center 0000 MISCELLANEOUS
 Program 0000 MISCELLANEOUS
 Location 00 LOCATION
 Respons Code 00 UNUSED
 Grade Level 0 GRADE LEVEL
 Budget NM NON MAJOR GOVERNMENTAL

Full description: CASH

Short desc: CASH

----- CURRENT YEAR MONTHLY AMOUNTS -----

PER	ACTUAL	ENCUMBRANCE	BUD TRANSFER	BUDGET
00	2,828,945.01	.00	.00	.00
01	.00	.00	.00	.00
02	.00	.00	.00	.00
03	.00	.00	.00	.00
04	.00	.00	.00	.00
05	1,359.14	.00	.00	.00
06	.00	.00	.00	.00
07	1,624.72	.00	.00	.00
08	.00	.00	.00	.00
09	.00	.00	.00	.00
10	.00	.00	.00	.00
11	.00	.00	.00	.00
12	.00	.00	.00	.00
13	.00	.00	.00	.00
Tot:	2,831,928.87	.00	.00	.00

----- CURRENT YEAR TOTAL AMOUNTS -----

Actual (Memo)	2,831,928.87	Original Budget	.00
Encumbrances	.00	Budget Tranfr In	.00
Requisitions	.00	Budget Tranfr Out	.00
Total	2,831,928.87	Carry Fwd Budget	.00
Available Budget	.00	Carry Fwd Bud Tfr	.00
Percent Used	.00	Revised Budget	.00
Inceptn to SOY	.00	Inceptn Orig Bud	.00
		Inceptn Revsd Bud	.00
Encumb-Last Yr	.00	DEPT REQST	.00
Actual-Last Yr	.00	APPROVED	.00
Estim-Actual	.00	FIN COMM	.00
		TOWN MEETG	.00
			.00

03/09/2017 15:12 | TOWN OF ARLINGTON
 cmalloy | G/L ACCOUNT - MASTER INQUIRY

| P 2
 | glactinq

LAST YEAR MONTHLY AMOUNTS

PER	ACTUAL	ENCUMBRANCE	BUDGET
00	3,108,350.42	.00	.00
01	-300,000.00	.00	.00
02	320.26	.00	.00
03	15,267.83	.00	.00
04	351.37	.00	.00
05	299.93	.00	.00
06	752.59	.00	.00
07	333.97	.00	.00
08	697.77	.00	.00
09	356.98	.00	.00
10	383.67	.00	.00
11	292.05	.00	.00
12	1,538.17	.00	.00
13	.00	.00	.00
Tot:	2,828,945.01	.00	.00

----- PRIOR YEARS TOTAL AMOUNTS -----

2016 Actual	2,828,945.01	2016 Orig Budget	.00
2016 Closed @ YE	2,828,945.01	2016 Bud Tfr In	.00
2016 Encumbrance	.00	2016 Bud Tfr Out	.00
2016 Memo Bal	2,828,945.01	2016 C Fwd Budget	.00
2015 Actual	3,108,350.42	2016 Revsd Budget	.00
2014 Actual	3,992,045.85		
2013 Actual	4,220,172.54	2015 Orig Budget	.00
2012 Actual	4,461,204.89	2015 Revsd Budget	.00
2011 Actual	4,976,606.10	2014 Orig Budget	.00
2010 Actual	3,392,398.55	2014 Revsd Budget	.00
2009 Actual	2,676,301.40		
2008 Actual	1,967,661.55		
2007 Actual	2,023,198.46		

----- FUTURE YEAR AMOUNTS -----

PER	2018 BUDGET	BUDGET
00	.00	2018 DEPT REQST .00
01	.00	2018 APPROVED .00
02	.00	2018 FIN COMM .00
03	.00	2018 TOWN MEETG .00
04	.00	2018 .00
05	.00	2018 Revised .00
06	.00	2019 Estimate .00
07	.00	2020 Estimate .00
08	.00	2021 Estimate .00
09	.00	2022 Estimate .00
10	.00	
11	.00	2018 Memo Bal .00
12	.00	2018 Encumbrance .00
13	.00	2018 Requisition .00
Tot:	.00	

----- ACCOUNT NOTES -----

 ** END OF REPORT - Generated by Caryn Malloy **

(=)

	2015 Actual	2016 Actual	2017 Budget	2018 Request	\$ Change	% Change
0191488 LIABILITY INSURANCE						
5245 EXP: WORKERS COMP	472,299	457,219	540,000	500,000	(40,000)	-7.41%
5702 UNEMPLOYMENT COMPENSATION	105,336	117,687	200,000	200,000	-	0.00%
5750 INSURANCE: OFFICIALS LIABILITY	55,379	54,986	55,000	55,000	-	0.00%
5751 PROPERTY INSURANCE	254,020	273,058	270,625	297,443	26,818	9.91%
0191488 LIABILITY INSURANCE TOTAL	887,034	902,951	1,065,625	1,052,443	(13,182)	-1.24%
5190 OFFSETS	(20,625)	(20,625)	(20,625)	(20,625)	-	0.00%
0191488 LIABILITY INSURANCE TAXATION TOTAL	866,409	882,326	1,045,000	1,031,818	(13,182)	-1.26%

TOWN OF ARLINGTON
LEGAL DEPARTMENT

Administration of:
Workers' Compensation
Line of Duty Injuries



50 Pleasant Street
Arlington, MA 02476
781-316-3154
Fax: 781-316-3159

MEMO

To: Insurance Subcommittee
Adam Chapdelaine, Town Manager

From: Edward M. Marlenga
Workers' Compensation Agent/Benefits Attorney

Re: 2018 Workers' Compensation Budget

Dated: March 6, 2017

A. Covered Employees

The Town is required to cover all full-time, part-time, temporary, seasonal and on-call employees pursuant to the provision of the Massachusetts Workers' Compensation law (General Laws Chapter 152). This includes all School Department employees but excludes Police Officers and Firefighters. Police and Fire Department employees are covered by separate line-of-duty wage replacement and medical indemnity statutes. Injury related payments for police and fire are directed out of the respective departments but the entire claims handling process is managed through this department.

B. Present Status of the 2017 Budget

As of 2/28/2017, the Workers' Compensation budget has expended approximately \$204,497 of its \$540,000 FY17 budget. These expenditures represent payments for weekly compensation indemnity benefits pursuant to Chapter 152, §34 (temporary total disability payments), §35 (temporary partial disability payments), §34A (permanent and total disability payments), §31 (widows benefits), §§13 & 30 (hospital and medical benefits) and departmental related costs.

The following information is provided pursuant to (and constrained by) the various state and federal privacy laws.

The weekly indemnity payroll has averaged approximately \$3,110 (although for the week ending 2/26/17 it stood at \$ 4,328.87 per week) which remains within the baseline FY17 budget projection. Medical payments have averaged approximately \$2,429 per week. While this is a significant decrease over last year it is closer to the historic average. The very nature of workers compensation insurance lends itself to these types of deviations. Notwithstanding the reduction, medical expenditures continue to be pressured by increased hospitalization costs and the availability of sophisticated medical diagnostics and treatment within the Town's geographic area. Under Massachusetts workers compensation law, a fiscal year payment for causally related medical treatment includes new claims as well as statutorily mandated payments that follow the injured employee whether active, inactive or retired.

The department has successfully filed multiple subrogation claims against third party tortfeasors during the current fiscal year. Subrogation claims are instituted against third parties whose conduct or actions either caused or contributed to an injury sustained by a Town employee. All subrogation recovery checks are made payable to the Town of Arlington and are forwarded to the Town Treasurer for deposit into the Town's General Fund. Additionally, the department successfully contested FY17 liability claims resulting in significant direct cost and long term savings.¹

There presently are a couple of employees who are anticipated to undergo work-related surgical intervention (potentially with short accompanying hospitalization) prior to the end of this fiscal year. It is projected that the associated medical expense costs will approximate \$20,000 - \$25,000.

Given the existing weekly indemnity payments, projected hospital, medical, rehabilitative costs, redemption of liability expense and pending claims analysis it is projected that the department will easily stay within budget at the end of FY17.

There is presently \$124,926.82 remaining in the Workers' Compensation Reserve Fund. In addition to sound fundamental self-insurance claim reserve practice, another purpose of the Reserve Fund is to fund liability redemption for claims having occurred in previous fiscal years. There is a necessity to restore claim loss reserves to appropriate levels. Liability redemption and statutory functional loss reserve payments are anticipated to deplete a percentage of the existing fund amounts by the end of this present fiscal year. It is therefore recommended that any remaining balance in the Workers' Compensation Expense Account at the end of FY17 be used to continue to adequately and appropriately fund the Workers' Compensation Reserve Fund as contemplated and allowed by the Workers' Compensation statute. Given the uneven nature of annual claim losses, this fiscally responsible practice has served the Town well for many years.

C. FY 2018 Budget

The following assumptions have been made: (1) the number of employees covered under the Massachusetts Workers' Compensation Act will remain essentially the same on both the School and Town side, (2) the nature and essential job functions of the existing employees will

¹ Further cost savings to the Town are obtained through medical services bill negotiation and rate reduction for Town employee workers' compensation (including the School Department) and Police and Fire line-of-duty claims. The last full fiscal year saving (FY16) was \$239,706.61 for Workers Compensation; \$59,929.32 for Police; and \$104,411.17 Fire Line-of-Duty claims. Total \$404,047.10.

remain the same, (3) the number of "standard" hours worked by employees will remain the same, (4) the manual labor force employees' average standard overtime hours will remain constant given the Town's projected projects and winter storm conditions, (5) the average age of the Town employee will remain essentially the same, (6) given the present state of the economy, it is presumed that the maximum average weekly wage in the Commonwealth of Massachusetts will not increase greater than 3% above the existing \$1,291.74 [weekly indemnity ceiling set each October 1st by the Department of Industrial Accidents], (7) the Town employee's average weekly wage increase will not exceed 3%, (8) the workers' compensation weekly indemnity statutory rate (60% of average weekly wage) will remain the same, (9) hospital/medical HHS reimbursement rates will not exceed the state's previously set 3.6% benchmark, and (10) the increase in the costs of non-rated medical services will not exceed ten percent.

Taking into consideration all of the standard claims/loss factors as well as the nature of the Town's specific workers' compensation experience rates over the past decade (inclusive of the factors previously detailed), it is projected that the costs associated with the existing claims (including inactive and retired employee claim tails but excluding claims redeemed) and the anticipated new compensable injuries will not result in payments significantly greater than those presently estimated to be expended in FY17. Given the remaining balance in the workers' compensation reserve fund, it is recommended that \$500,000 is an appropriate FY18 budget for Workers' Compensation. This figure provides an appropriate amount for projected FY18 claims, funds loss reserves, addresses potential litigation claims/loss exposure and provides funds for the appropriate redemption of existing claims.

